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SIPDIS
DEPT FOR EEB/CBA DENNIS A. WINSTEAD AND EUR/NB
HELSINKI FOR SCO KUCHOVA

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [EINV](#) [BEXP](#) [BTIO](#) [ABUD](#) [EN](#)
SUBJECT: TALLINN'S BFIF FY10 PROPOSAL

REF: 09 STATE 126674

¶1. Summary: Embassy Tallinn has two FY10 projects for the Business Facilitation Incentive Fund to consider. Post will provide cost estimates for the Baltic Partnership Program septel. In addition, we request USD 4,000 in BFIF funds for participation in the International Woodworking Machinery and Furniture Supply Fair. End Summary.

¶2. Post requests BFIF funds for the participation of our Economic/Commercial FSN in the Department of Commerce IBP trade show International Woodworking Machinery and Furniture Supply Fair 2010 in Atlanta, with a follow-on visit to the Atlanta Invest in America contact in the Georgia Department of Economic Development.

A) Justification:

Wood processing plants account for 23.6 percent of Estonia's manufacturing industry, and the furniture industry accounts for approximately 7 percent of all Estonian exports. Because wood processing is labor intensive and is spread throughout Estonia, there is a preexisting labor pool and room for expansion. Innovative economic development in this area would have a positive impact on job creation, especially in areas outside of Tallinn where unemployment is particularly high (in some places exceeding 22 percent). As there is also considerable concern about Estonia's decreasing competitiveness in manufacturing and a desire by furniture makers/exporters to move up to higher value-added products, Post assesses there are promising export possibilities for U.S. woodworking machinery and the furniture supply industry. This would be a new "best prospect" sector for Post.

The International Woodworking Machinery and Furniture Supply Fair 2010 (IWF) is one of the world's largest trade shows for the furniture manufacturing, architectural woodwork, custom and general woodworking industries. IWF 2010 will take place August 25-28, 2010 in Atlanta, Georgia. After attending the trade show, Tallinn's Econ/Commercial Assistant Reese Sepp would also visit the "Invest in America" contact in the Georgia Department of Economic Development. There is considerable and growing interest in the Estonian business community to identify new contacts and places where Estonian enterprises can do business with American companies. Post would be able to capitalize on this interest -- and maximize future commercial opportunities for U.S. business -- given the chance to sit down with the Invest in America representatives and to better understand the process and the possibilities for Estonian companies.

If approved, our Econ/Commercial FSN will use this opportunity to recruit companies to attend IWF. Based on the current economic downturn and experience of previous IBP recruitment attempts, we do not expect we will recruit an Estonian group large enough for the organizer to cover our FSN's airfare and hotel costs. Therefore, Post is requesting USD 4,000 to cover airfare, ground transportation, hotel and M&IE for this trip.

B) Expected impact: Post is hoping to get a better understanding of the U.S. woodworking and furniture manufacturing sector to seize opportunities -- and expand possibilities -- for Estonian companies to cooperate with U.S. companies.

C) Planning Milestones:

March 2010: BFIF money is awarded. Post begins recruitment of Estonian company attendees. Post coordinates hotel and other logistic details.

August 2010: Economic/Commercial FSN goes to IWF

September 2010: Post meets with industry associations to get and give feedback on the show, exchange contacts and set a strategy for future actions.

September 2010: Post sends BFIF close out cable.

D) Estimated Costs: Airfare: USD 2,800, Hotel, Meals and Incidental Expenses: USD 1,000, Ground Transportation USD 200.
Total Requested: USD 4,000.

E) Point of Contact: Political/Economic Officer Brian Frere, ph: 372-668-8107, fax: 372-668-8259, email: frerebm@state.gov.
Economic/Commercial Assistant Reene Sepp, ph: 372-668-8130, fax: 372-668-8265, email: seppr@state.gov.

13. Post is supporting the State/EEB/CBA initiative to fund the Baltic Partnership Program in the region in March and is ready to provide cost estimates as soon as the time and location of the training have been set.
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